



Lives and  
Livelihoods  
Fund

# Securing sustainable futures

Annual Report  
2021



# Foreword Message



"Our commitment is to rebuild stronger economies for Islamic Development Bank Group member countries and to effectively enhance sustainable human capital development that remains our top priority for the world's most disadvantaged people."

H.E. Dr. Muhammad Sulaiman Al Jasser,  
President of the Islamic Development Bank

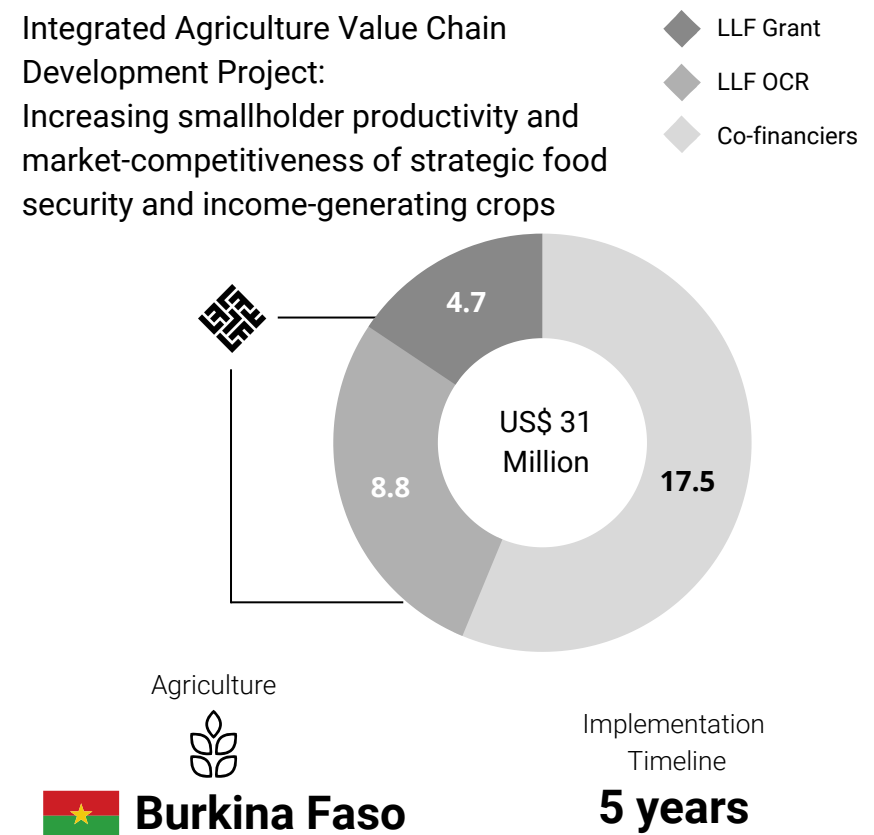
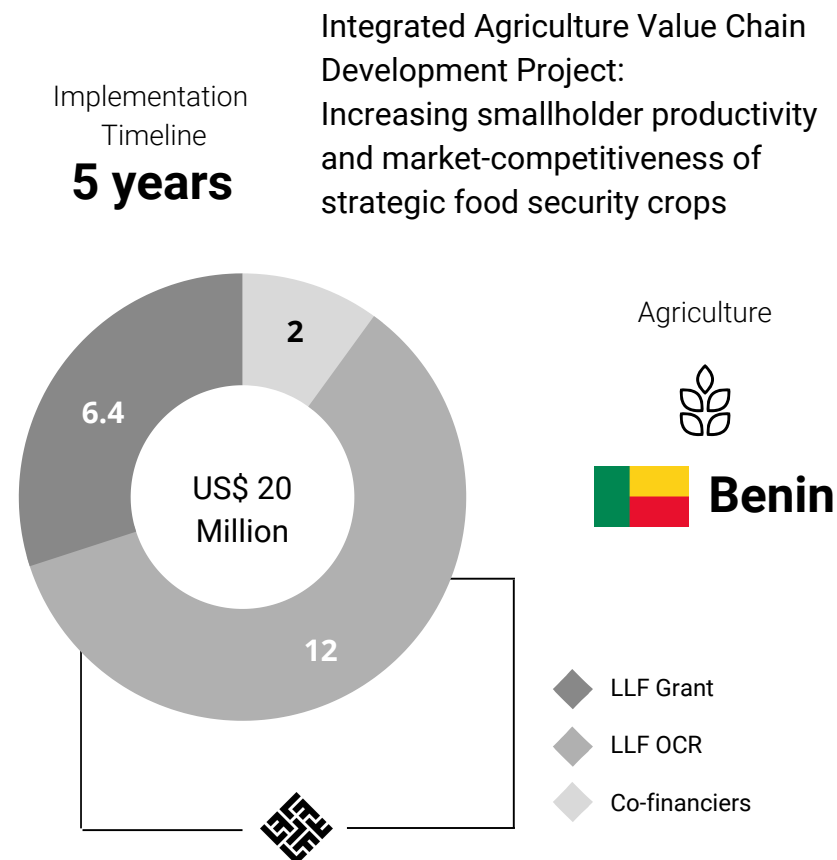


"Nearly a third of the billion who live in extreme poverty worldwide live in the Muslim world. Between 2020-2021, COVID - 19 pushed an additional 51 million people from Islamic Development Bank member countries into extreme poverty, where existing socio-economic challenges became severe. Nonetheless, springing from the shared vision of LLF members and by combining resources and skills, the LLF's multilateral philosophy and financing structure has brought economic growth and better living standards. Our dedication has given populations across multiple continents the tools to succeed — now and in the future."

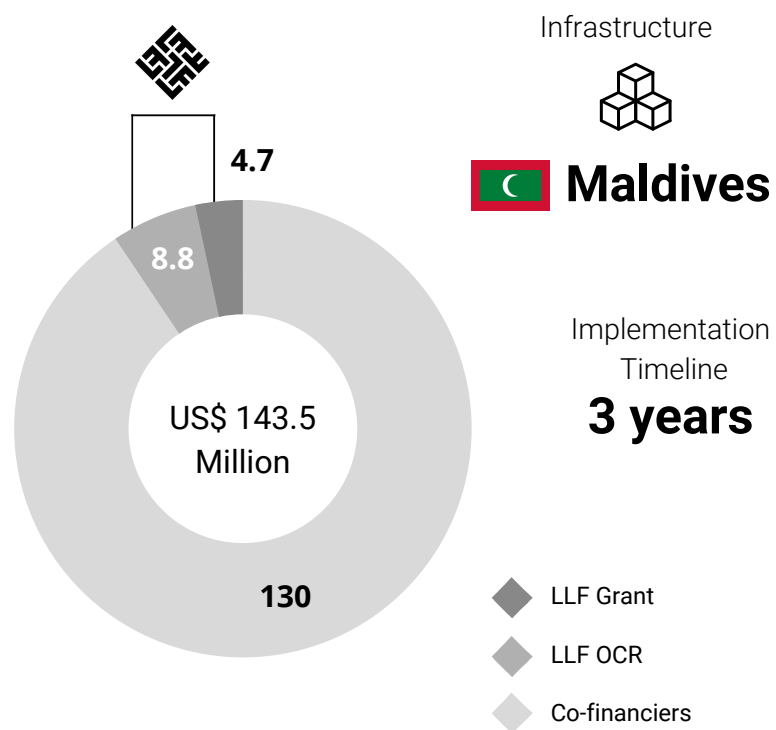
Mr. Joe Cerrell,  
Chairman of the LLF Impact Committee

# New Projects Pipeline for 2021

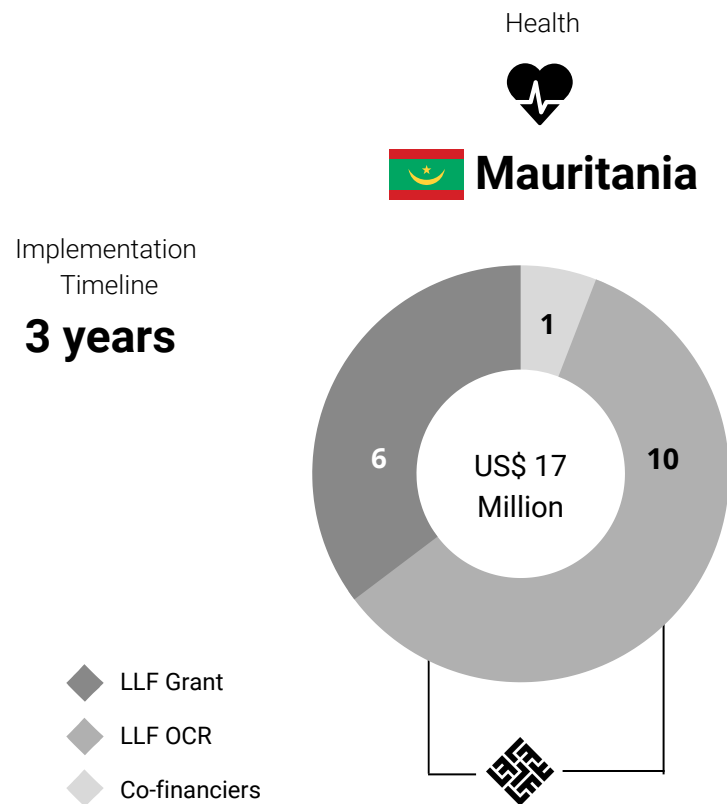
The Impact Committee approved 5 new projects in 2021 which were inducted into the LLF portfolio. The overall 2021 projects are valued at US\$ 104.2 million, comprising 2 projects in the health sector, 2 in agriculture, and 1 project approved for basic infrastructure in Maldives which is also a new geography for LLF investments.



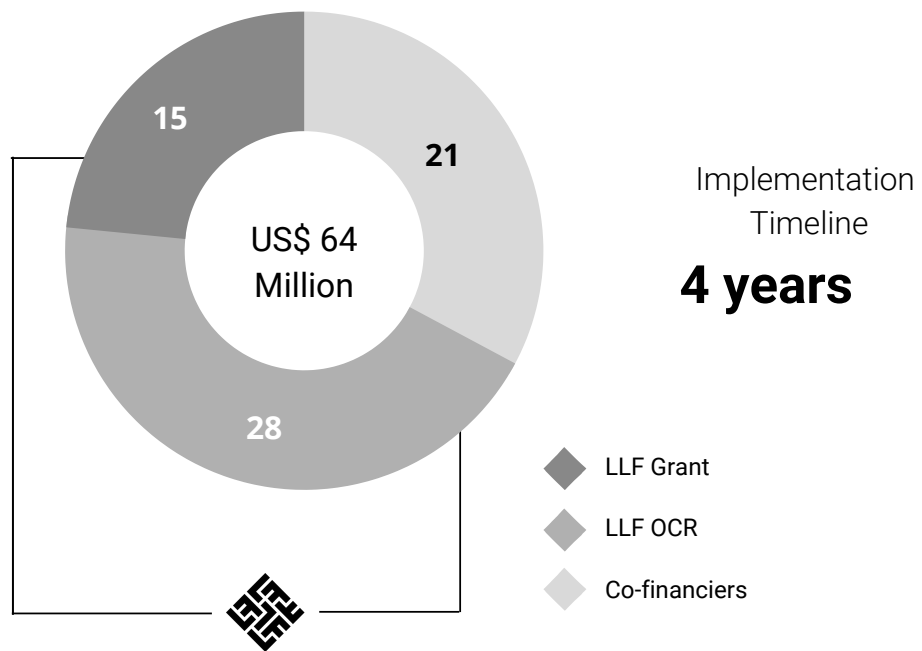
Support People's Livelihoods in the Fishery Sector through Sustainable Energy:  
Improving productivity of the fishery sector and reducing the country's reliance on fossil fuels for electricity



Reproductive Health Support Project: Reducing the maternal and infant mortality at the national and regional levels







Health system strengthening and primary health care: Improving the availability and quality of PHC services with an emphasis on MNCH and health system governance

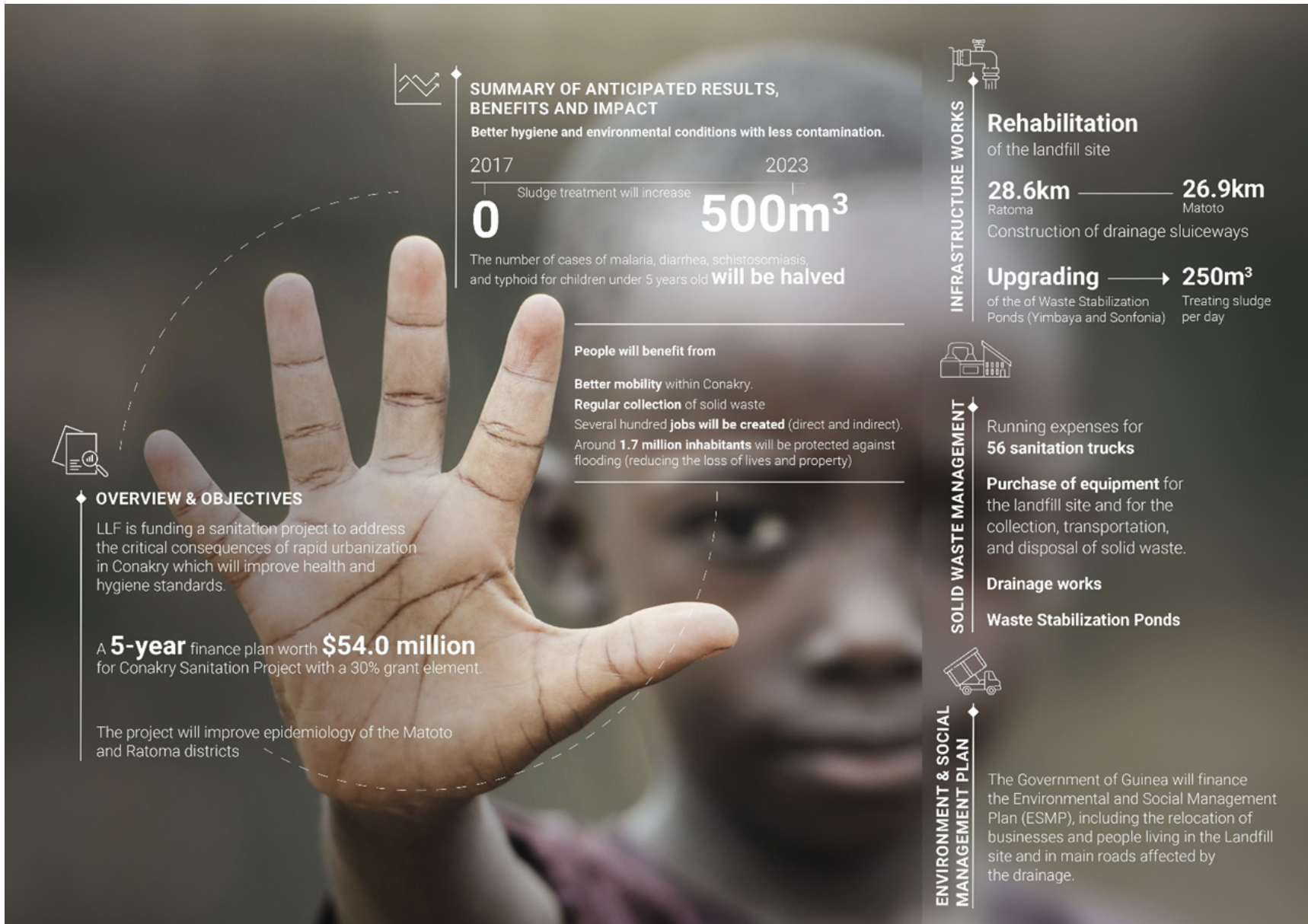


# LLF in numbers (2016-2021)



# Projects in the spotlight

## 1. Conakry Sanitation Project in the Republic of Guinea





## 2. Local Economic Growth Support Project in the Republic of Uganda



# Timeline of Events

## **18 March 2021**

The Technical Review Committee (TRC) met to review the recommendations on the design, procurement, and implementation model of the Fund's new Results-Based Management (RBM). The TRC endorsed the promising initiative with a recommendation of approval to the LLF Impact Committee.

## **19 August 2021**

The Impact Committee met for a special session to deep-dive into some of the advanced LLF project investments. Members were presented with detailed information on the progress and achievements directly from the Country project teams along with the IsDB. LLF donors saw the positive impact of each project on people's lives, through direct feedback from project teams and implementation partners.

## **15 November 2021**

The LLF Impact Committee met to approve the 6th pipeline of LLF projects, as recommended by the TRC, as well as the LLF Admin Budget and the project preparations and implementation facility allocation. The IC was also provided an update on the selected RBM contractor, as well as on progress on communications and visibility activities.

## **31 March 2021**

The Impact Committee met and approved the concept and funding allocation for the LLF RBM program. IsDB was requested to proceed with the procurement of the RBM service provider. The IC also reviewed and endorsed the LLF communications strategy, in addition to the portfolio progress review and financial statement approvals. The Chairmanship of the Impact Committee was handed over from the Abu Dhabi Fund for Development to the Bill & Melinda Gates Foundation for the year 2021/2022.

## **20 September 2021**

The Technical Review Committee (TRC) was presented with the 6th pipeline for the LLF. A total of 14 projects were reviewed spanning new geographies (Maldives, Uzbekistan) and sub-sectors. The TRC endorsed 5 of the projects for approval by the Impact Committee.



# Financing (2016-2021)

2016	Country	LLF Financing (USD)	Ordinary Capital Resources (USD)	Grant Financing (USD)
Inclusive Rural Growth Project - Support to rural communities through integrated development - Agr & HLT	Morocco	\$89,780,000	\$80,802,000	\$8,978,000
Kano State Agro-Pastoral Development project	Nigeria	\$90,000,000	\$81,000,000	\$9,000,000
Support of Elimination of Mother-To-Child Transmission (eMTCT) of HIV/AIDS Project	Cameroon	\$40,000,000	\$28,000,000	\$12,000,000
Support to the Malaria Control and Elimination Project	Senegal	\$32,000,000	\$22,400,000	\$9,600,000
Sustainable Pastoralism Development Program	Burkina Faso	\$29,530,000	\$20,685,000	\$8,845,000
Sustainable Pastoralism Development Program	Mali	\$29,700,000	\$20,769,000	\$8,931,000
Sustainable Pastoralism Development Program	Senegal	\$30,800,000	\$20,769,000	\$10,031,000
Total LLF portfolio value of financing approval in 2016		\$341,810,000	\$274,425,000	\$67,385,000

## 2017

	Country	LLF Financing (USD)	OCR	Grant Financing (USD)
Agriculture Infrastructure and Value Chain Development Project	Cameroon	\$33,000,000	\$23,000,000	\$10,000,000
Conakry Sanitation Project	Guinea	\$54,000,000	\$38,000,000	\$16,000,000
Health System Strengthening with Emphasis on Maternal, Neonatal and Child Health services	Niger	\$40,000,000	\$28,000,000	\$12,000,000
Health System Strengthening with Emphasis on Maternal, Newborn and Child Health Care	Djibouti	\$20,000,000	\$13,000,000	\$7,000,000
Improving Maternal, Neonatal and Child Health (MNCH) Services in Four Districts of Khatlon Region	Tajikistan	\$23,000,000	\$14,950,000	\$8,050,000
Local economic Growth Support Project	Uganda	\$33,000,000	\$23,000,000	\$10,000,000
Support to the National Program for Reproductive Health Project	Mauritania	\$2,600,000	\$1,820,000	\$780,000
Total LLF portfolio value of financing approval in 2017		\$205,600,000	\$141,770,000	\$63,830,000

## 2018

	Country	LLF Financing (USD)	OCR	Grant Financing (USD)
Development of Integrated Farming Systems in Upland Areas Project	Indonesia	\$65,600,000	\$59,040,000	\$6,560,000
Regional Rice Value Chain Development Program	Sierra Leone	\$20,000,000	\$13,000,000	\$7,000,000
Regional Rice Value Chain Development Program	Senegal	\$35,000,000	\$22,750,000	\$12,250,000
Regional Rice Value Chain Development Program	The Gambia	\$15,000,000	\$9,750,000	\$5,250,000
Regional Rice Value Chain Development Program	Niger	\$15,000,000	\$9,750,000	\$5,250,000
Regional Rice Value Chain Development Program	Guinea	\$15,000,000	\$9,750,000	\$5,250,000
Scaling up the National Malaria Elimination Program in thirteen states	Nigeria	\$100,000,000	\$90,000,000	\$10,000,000
Support to the Pakistan Polio Eradication Program (Phase 3, 2019-2021)	Pakistan	\$100,000,000	\$90,000,000	\$10,000,000
Water Sanitation Project for Abidjan & 11 Secondary Cities	Cote d'Ivoire	\$49,000,000	\$31,850,000	\$17,150,000
Total LLF portfolio value of financing approval in 2018		\$414,600,000	\$335,890,000	\$78,710,000

## 2019

	Country	LLF Financing (USD)	OCR	Grant Financing (USD)
Closing gaps: Community health, human resources, and nutrition	Benin	\$49,900,000	\$32,435,000	\$17,465,000
Strengthening Primary Health Care to improve health and nutrition	Burkina Faso	\$26,592,523	\$17,285,140	\$9,307,383
Supplementary Financing: Support Polio Eradication Program (Phase-III)	Maldives	\$60,000,000	\$39,000,000	\$21,000,000
Total LLF portfolio value of financing approval in 2019		\$136,492,523	\$88,720,140	\$47,772,383

**2020**

	Country	LLF Financing (USD)	OCR	Grant Financing (USD)
Poultry and Fisheries Value Chain Project to Improve Income and Nutrition	Mali	\$28,206,391	\$18,334,154	\$9,872,237
Making Aquaculture work for market and social inclusiveness	Morocco	\$31,750,000	\$28,575,000	\$3,175,000
Inclusive and Integrated Sanitation & Hygiene (InSanH) Project in 10 Priority Towns	Bangladesh	\$56,000,000	\$36,400,000	\$19,600,000
Mini Grids Solar Systems for Rural Electrification	Togo	\$31,000,000	\$20,150,000	\$10,850,000
Integrated Nutrition and Early Childhood Development	Cote d'Ivoire	\$47,061,950	\$30,590,268	\$16,471,683
Strengthening of Maternal and Child Health (MCH) Services Project	Chad	\$44,960,950	\$29,224,618	\$15,736,333
Total LLF portfolio value of financing approval in 2020		\$238,979,291	\$163,274,039	\$75,705,252



**2021**

	Country	LLF Financing (USD)	OCR	Grant Financing (USD)
Integrated Agriculture Value Chain Development Project	Benin	\$18,400,000	\$11,960,000	\$6,440,000
Integrated Agriculture Value Chain Development Project	Burkina Faso	\$13,500,000	\$8,775,000	\$4,725,000
Support People's Livelihoods in the Fishery Sector through Sustainable Energy	Maldives	\$13,500,000	\$8,775,000	\$4,725,000
Reproductive Health Support Project	Mauritania	\$16,000,000	\$10,400,000	\$5,600,000
Health system strengthening and primary health care project	Togo	\$42,800,000	\$27,820,000	\$14,980,000
Total LLF portfolio value of financing approval in 2021		\$104,200,000	\$67,730,000	\$36,470,000

## INDEPENDENT AUDITOR'S REPORT

Your Excellencies the Chairman and Members of the Impact Committee  
Islamic Development Bank - Lives and Livelihoods Fund  
Jeddah  
Kingdom of Saudi Arabia

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of Islamic Development Bank – Lives and Livelihoods Fund (the "Fund") which comprise the statement of financial position as of December 31, 2021, and the related statement of activities and changes in net assets and the statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as of December 31, 2021, and the results of its activities and changes in net assets and its cash flows for the year then ended in accordance with the Financial Accounting Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions ("AAOIFI").

In our opinion, the Fund has also complied with the Shari'ah Rules and Principles as determined by the Group Shari'ah Board of the Islamic Development Bank Group during the period under audit.

#### Basis for Opinion

We conducted our audit in accordance with Auditing Standards for Islamic Financial Institutions issued by AAOIFI. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the AAOIFI's Code of Ethics for Accountants and Auditors of Islamic Financial Institutions ("AAOIFI Code"), and we have fulfilled our other ethical responsibilities in accordance with the AAOIFI Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other Matter

The financial statements of the Fund for the year ended December 31, 2020 were audited by another auditor who expressed an unmodified opinion on those statements on May 04, 2021.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

These financial statements and the Fund's undertaking to operate in accordance with Shari'ah Rules and Principles are the responsibility of the Fund's management and those charged with governance.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Financial Accounting Standards issued by AAOIFI and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## INDEPENDENT AUDITOR'S REPORT – CONTINUED

Your Excellencies the Chairman and Members of the Impact Committee  
Islamic Development Bank - Lives and Livelihoods Fund  
Jeddah  
Kingdom of Saudi Arabia

### Responsibilities of Management and Those Charged with Governance for the Financial Statements - continued

In preparing the financial statements, the management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Auditing Standards for Islamic Financial Institutions issued by AAOIFI will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Auditing Standards for Islamic Financial Institutions issued by AAOIFI, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



Deloitte and Touche & Co.  
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT – CONTINUED

Your Excellencies the Chairman and Members of the Impact Committee  
Islamic Development Bank - Lives and Livelihoods Fund  
Jeddah  
Kingdom of Saudi Arabia

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte and Touche & Co.  
Chartered Accountants

Waleed Bin Moha'd. Sobahi  
Certified Public Accountant  
License No. 378

14 Shawwal 1443H  
May 15, 2022



**ISLAMIC DEVELOPMENT BANK - LIVES AND LIVELIHOODS FUND**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2021**  
(All amounts in United States Dollars unless otherwise stated)

	Note	31 December 2021	31 December 2020
<b>Assets</b>			
Cash and bank balances	4	7,875,998	2,638,200
Commodity murabaha placements	5	165,207,199	166,395,432
Contributions receivable from Donor	6	31,408,573	18,663,154
<b>Total Assets</b>		<b>204,491,770</b>	<b>187,696,786</b>
<b>Liabilities</b>			
Due to a related party	10	1,111,093	700,747
Accruals and other liabilities	11	571,029	211,879
<b>Total Liabilities</b>		<b>1,682,122</b>	<b>912,626</b>
<b>Net Assets</b>		<b>202,809,648</b>	<b>186,784,160</b>
<b>Represented by:</b>			
Donor contributions	8	199,965,086	182,110,019
Reserve amount	8,9	-	427,314
Fund resources		2,844,562	4,246,827
		<b>202,809,648</b>	<b>186,784,160</b>

ISLAMIC DEVELOPMENT BANK - LIVES AND LIVELIHOODS FUND  
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
YEAR ENDED 31 DECEMBER 2021

(All amounts in United States Dollars unless otherwise stated)

	Note	2021	2020
<b>Changes in net assets without donor restrictions</b>			
<b>Income</b>			
Commodity murabaha placements		836,003	2,885,921
Income from consultancy grant		180,227	387,930
<b>Total income</b>		<b>1,016,230</b>	<b>3,273,851</b>
<b>Net assets released from restrictions</b>			
Donor grant contributions	12	36,917,315	16,122,697
Donor reserves	9	427,314	-
<b>Total net assets released from restrictions</b>		<b>37,344,629</b>	<b>16,122,697</b>
<b>Expenses</b>			
Facility administration costs	13	(2,250,838)	(952,931)
Grant expenses		(36,917,315)	(16,122,697)
Consultancy		(214,482)	(387,930)
Projects preparation costs	14	(371,643)	(203,800)
Impairment charge	7	(2,403)	-
<b>Total expenses</b>		<b>(39,756,681)</b>	<b>(17,667,358)</b>
<b>(Decrease) / increase in Net Assets without Donor restrictions</b>		<b>(1,395,822)</b>	<b>1,729,190</b>
<b>Changes in net assets with donor restrictions</b>			
Donor contributions	8	54,772,382	-
Net assets released from restrictions		(37,344,629)	(16,122,697)
<b>Increase / (decrease) in net assets with donor restrictions</b>		<b>17,427,753</b>	<b>(16,122,697)</b>
<b>Increase / (decrease) in total net assets</b>		<b>16,031,931</b>	<b>(14,393,507)</b>



ISLAMIC DEVELOPMENT BANK - LIVES AND LIVELIHOODS FUND  
 STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS (CONTINUED)  
 YEAR ENDED 31 DECEMBER 2021

(All amounts in United States Dollars unless otherwise stated)

	2021	2020
<b>Net assets at the beginning of the year</b>	<b>186,784,160</b>	201,177,667
Adjustment against allowance for credit losses – FAS30 (note 7)	(6,443)	-
<b>Adjusted net assets at the beginning of the year</b>	<b>186,777,717</b>	201,177,667
Increase / (decrease) in total net assets	16,031,931	(14,393,507)
<b>Net assets at the end of the year</b>	<b>202,809,648</b>	186,784,160
<b>Represented by:</b>		
Donor contributions – restricted	199,965,086	182,537,333
Accumulated surplus	2,844,562	4,246,827

ISLAMIC DEVELOPMENT BANK - LIVES AND LIVELIHOODS FUND  
STATEMENT OF CASH FLOWS  
YEAR ENDED 31 DECEMBER 2021  
(All amounts in United States Dollars unless otherwise stated)

	Note	2021	2020
<b>Cash flows from operations</b>			
Changes in net assets during the year		16,025,488	(14,393,507)
<i>Adjustments to reconcile change in net assets to net cash used by operating activities</i>			
Donor contribution for the year		(54,772,382)	-
Credit losses against financial assets		8,846	-
<i>Changes in operating assets and liabilities:</i>			
Increase in due to a related party	10	410,346	342,560
Increase / (decrease) in accruals and other liabilities	11	359,150	(417,322)
<b>Net cash used in operating activities</b>		<b>(37,968,552)</b>	<b>(14,468,269)</b>
<b>Cash flows from investing activity</b>			
Commodity murabaha placements	5	1,179,387	(9,189,665)
<b>Net cash from/ (used in) investing activity</b>		<b>1,179,387</b>	<b>(9,189,665)</b>
<b>Cash flows from financing activity</b>			
Contributions from donors	6,8	42,026,963	9,456,816
<b>Net cash from financing activity</b>		<b>42,026,963</b>	<b>9,456,816</b>
<b>Net change in cash and bank balances</b>		<b>5,237,798</b>	<b>(14,201,118)</b>
Cash and bank balances at beginning of the year		2,638,200	16,839,318
<b>Cash and bank balances at end of the year</b>	4	<b>7,875,998</b>	<b>2,638,200</b>

# Our Donors

The LLF sits at the heart of a dynamic ecosystem of strategic partners driven by a holistic vision, where each partner brings their unique capabilities to the fund, creating a powerful alliance with the skills and expertise to drive economic growth.



[Learn more about LLF impactful collaboration](#)



[www.livesandlivelihoodsfund.org](http://www.livesandlivelihoodsfund.org)